



American Cancer Society
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December 18, 2014

The Honorable Sylvia Mathews Burwell, Secretary
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington D.C. 20201

Re: Arizona Section 1115 Waiver Amendment Request: Cost Sharing for Arizona's Expansion Population

Dear Secretary Burwell:

The American Cancer Society Cancer Action Network (ACS CAN) appreciates the opportunity to comment on Arizona's section 115 waiver amendment request, which seeks to alter the existing cost-sharing requirements for Arizona's Medicaid expansion population. ACS CAN is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society. ACS CAN supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

ACS CAN appreciates Arizona's efforts to provide health coverage for low income Arizonans through the expansion of their Medicaid program. Approximately 32,830 Arizonans are expected to be newly diagnosed with cancer this year¹ – many of whom will rely on Medicaid for their care. However, we are concerned that components of the proposed amendment will create barriers to accessing this coverage. Specifically, our concerns pertain to the imposition of premiums for those between 100 and 133 percent of the federal poverty level (FPL), and the imposition of a \$200 copayment for non-emergency use of the Emergency Department.

Premium Requirement

While we understand Arizona's desire to take an innovative approach to individual cost sharing and personal responsibility, we have strong concerns regarding the requirement that those between 100 and 133 percent FPL pay a monthly premium of up to 2 percent of their annual income. Studies have shown that imposing premiums on low income individuals is likely to deter enrollment in the Medicaid program.² Such a deterrent would undermine the goal of getting low income adults connected to a

¹ American Cancer Society, Cancer Facts & Figures 2014, available at <http://www.cancer.org/research/cancerfactsstatistics/cancerfactsfigures2014/>.

² Hendryx, Michael, et al. "Effects of a Cost-Sharing Policy on Disenrollment from a State Health Insurance Program." *Social Work in Public Health*; Vol. 27 (No. 7): 671-686, 2012; Wright, Bill J. et al. "Raising Premiums and Other Costs for Oregon Health Plan Enrollees Drove Many to Drop Out." *Health Affairs*. Vol. 29(12):2311-2316, December 2010.

primary care provider, prevention and chronic disease management, as well as treatment services they might need if diagnosed with a serious illness like cancer.

While we recognize that the states are permitted to impose premiums of up to 5 percent of an enrollee's income, we are concerned that the waiver sought by Arizona fails to provide sufficient detail with respect to the calculation of an enrollee's income. For example, it is unclear whether all enrollees will be subject to the 2 percent premium or whether the premium will be calculated on a sliding scale based on the individual's income. The waiver request also fails to clarify whether an enrollee's income will be calculated on a monthly, quarterly, or annual basis.

The waiver request fails to note whether Arizona will grant hardship exemptions for individuals who are unable to pay their premium. ACS CAN strongly urges CMS to require Arizona to include a hardship exemption and to clearly define the requirements to meet such exemption. In addition, we strongly urge CMS to prohibit termination of coverage as a penalty for non-payment of a monthly premium. Finally, if CMS allows Arizona's request for a premium, enrollees should be permitted a grace period of at least 15 days in which to pay their first month's premium.

Copayment for Non-Emergency use of the Emergency Department

Individuals with income between 100 and 133 percent of the FPL have extremely limited financial resources. The waiver request proposes to impose a \$200 copayment for nonemergency use of an emergency room. We urge the Department to prohibit Arizona from imposing this cost-sharing, particularly for individuals with chronic conditions like cancer. Cancer patients undergoing chemotherapy and/or radiation often have adverse drug reactions and other problems that require immediate care during evenings and weekends. If primary care settings and other facilities are not available, these patients may end up in the emergency room, and a \$200 copayment would become a significant financial hardship, particularly when combined with premiums and other cost-sharing.

Overall Financial Burden

We are very concerned that taken together the out-of-pocket costs requested under the waiver will pose a significant financial burden on Medicaid enrollees. The chart below illustrates the potential financial burden enrollees could accrue in a given month if they are faced with an Emergency Department visit co-payment in addition to their monthly premium payment.

Household Size	100% FPL	133% FPL	2% of Average Monthly Income	Monthly Premium + ER CoPay	Percent of Average Monthly Income for Premium and ER Copay Combined
1	\$11,670.00	\$15,521.00	19.45- 25.86	219.45-225.86	22.6%- 17.5%
2	\$15,730.00	\$20,921.00	26.21- 34.87	226.21- 234.87	17.3%- 13.5%
3	\$19,790.00	\$26,321.00	32.98-43.87	232.98- 243.87	14.1%- 11.1%
4	\$23,850.00	\$31,721.00	39.75- 52.87	239.75- 252.87	12.1%- 9.6%

While these figures are estimates, such amounts are possible under the premium and Emergency Department co-payment parameters being requested. Requiring individuals and families to pay anywhere from 9.6 percent up to 22.6 percent of their monthly household income on medical bills is

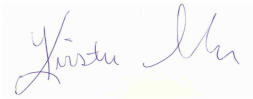
simply unaffordable for this population. If a copayment is permitted, we would encourage CMS to limit such copayment to an amount that would not exceed 5 percent of the enrollee's average monthly income, when combined with their premium obligation. Such a limitation would be in line with current law limiting total out-of-pocket costs to no more than 5 percent of household income.

Conclusion

We appreciate the opportunity to provide comments on Arizona's waiver amendment application. The expansion of the Medicaid program remains critically important for many Arizonans who need access to cancer prevention and cancer treatment. When considering policies suggested in this amendment, we ask CMS to weigh the impact such policies may have on access to such lifesaving coverage.

If you have any questions, please contact me or have your staff contact Anna Schwamlein Howard, Policy Principal, Access and Quality of Care at Anna.Howard@cancer.org or 202-585-3261.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kirsten Sloan", is positioned above a yellow rectangular highlight.

Kirsten Sloan
Senior Policy Director
American Cancer Society Cancer Action Network